

1. Philosophy of Corporate Governance:

The Company believes that Corporate Governance is a systematic process by which companies are directed and controlled keeping in mind the long-term interest of the stakeholders. It firmly believes that good Corporate Governance is the foundation of corporate excellence. The clause 49 of the Listing Agreement with the Stock Exchange deals with Code of Corporate Governance. The details of compliances made by the company are as follows:

2. Board of Directors:
Composition and category

The Board of Directors of the Company consists of persons with professional expertise. As on 31st March 2009, the constitution of the Board was:

- ♦ One Promoter, Non Executive Director
- ♦ One Promoter, Executive Director
- ♦ Two Independent, Non Executive Directors

The composition of the Board of Directors as on 31st March 2009 and also the number of other Directorship or Board Committees of which he is a member/chairperson are as under:

Name of the Director	Category	No. of other Directorships in public Limited Companies	No. of other Board Committee position as Member, Chairman
Mr. Ramesh Chandra Bajoria \$	Non-Executive Chairman, Non-Independent	Nil	Nil
Mr. Arvind Bajoria @	Executive Non-Independent	1	Nil
Mr. Saurabh Poddar	Non-Executive Independent	Nil	Nil
Mr. Rajesh Kumar Agrawal	Non-Executive Independent	1	Nil

Notes

1. Directorship in Foreign Companies, Private Limited Companies and Companies covered under section 25 of the Companies Act, 1956 have not been considered.
2. Only the positions held in other Committees, such as audit, remuneration and shareholders'

grievance committee in Indian Public Limited Companies have been considered.

\$ Resigned w.e.f. 28.05.2009

@ Resigned w.e.f. 29.06.2009

Meetings and Attendance of Directors

During the year ended 31st March 2009, 10(ten) meetings were held by the Board of Directors. These meetings were held on 5th May 2008, 28th June, 2008, 31st July, 2008, 2nd August, 2008, 8th September, 2008, 31st October 2008, 6th December 2008, 31st January 2009, 4th March, 2009 and 28th March, 2009.

The attendance of the Directors at the Board Meetings held during the year 2008-09 and the last Annual General Meeting held on 2nd August, 2008.

Director	No. of meetings held during their tenure	No. of board meetings attended	Attendance at Last AGM
Mr. R.C.Bajoria	10	10	Yes
Mr. Arvind Bajoria	10	10	No
Mr. Saurabh Poddar	10	3	No
Mr. Rajesh Kumar Agrawal	10	8	No

Other provisions of the Board:

The other provisions of the Board with regard to the minimum no. of meetings (4 meetings) in a year with a maximum time gap of four months between any two meeting and also the minimum information to be placed before the Board as prescribed in clause 49 of the Listing Agreement have been complied with. The Board reviews from time to time compliance report of all laws & regulations applicable to the Company, as well as the steps taken by company to rectify instances of non-compliances.

3. Board Committees:

(a) Audit Committee:

i) **Terms of Reference:** The terms of reference of the Audit Committee are in conformity with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. These broadly cover the following points:

- 1) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) To review and recommend to the Board about the appointment, re-appointment and if



required the replacement or removal of statutory auditors and fixation of their remuneration.

- 3) To review with the management, the financial statements before submission to the Board, focusing primarily on Management Discussion and Analysis, Director's Responsibility Statement which forms part of the Director's Report, accounting policies, compliance with accounting standards, compliance with Stock Exchange and legal requirements and any related party transactions etc.
- 4) To review with the management, external and internal auditors, the adequacy of internal controls systems & internal audit reports, if any, on internal control weaknesses.
- 5) To discuss with the Auditors on the scope and nature of Audit and also to have post Audit discussion to ascertain any area of concern.
- 6) To review the Company's financial and risk management policies.
- 7) A statement of material related party transactions, if any.
- 8) To undertake such other matters as may be delegated by the Board from time to time.

ii) Composition:

The composition of the Audit Committee as on 31st March 2009 is as follows:

1. Mr. Rajesh Kumar Agrawal (Independent, Chairman)
2. Mr. Saurabh Poddar (Independent)
3. Mr. Arvind Bajoria (Non-Independent)

The Company Secretary acts as Secretary to the Committee.

iii) Meetings and Attendance

During the year ended on 31st March 2009, 4 (Four) meetings were held on 28th June 2008, 31st July 2008, 31st October 2008 and 31st January 2009.

The attendance of the Audit Committee Members is as follows:

Name of the Member	Meetings Held	Meetings Attended
Mr. Rajesh Kumar Agrawal	4	4
Mr. Saurabh Poddar	4	3
Mr. Arvind Bajoria	4	4

The Statutory Auditors also attends the meeting whenever required. The minutes of the meetings of Audit Committee are also placed before the Board and discussed.

(c) Directors' remuneration and disclosure:

- 1) During the financial year ended 31st March 2009, no compensation either in form of



remuneration, sitting fees or otherwise was paid to the executive and non-Executive directors.

d) Share Transfer Committee:

The Share Transfer Committee meets as per requirements at regular intervals to approve transfers, transmissions, and issue of duplicate share certificates, etc.

The Committee consists of following members as on 31.03.2009:-

1. Mr. R. C. Bajoria (Chairman)
2. Mr. Arvind Bajoria
3. Mr. Rajesh Kumar Agrawal

(e) Shareholders'/Investors' Grievance committee:

The followings are the members of the Shareholders'/ Investors' Grievance Committee as on 31st March 2009

Name of the Member	Category
Mr. Rajesh Kumar Agrawal (Chairman)	Non-executive
Mr. R. C. Bajoria	Non-executive
Mr. Arvind Bajoria	Executive

The Committee looks into the redressal of shareholders' and investors' complaints like transfer of shares, nonreceipt of balance sheet, non-receipt of declared dividends etc.

The Committee met 4 times during the year under review.

The Company Secretary has been designated as the Compliance Officer by the Board and assigned with the responsibilities of overseeing shareholders'/investors' grievances under the supervision of the Committee. During the year under review, five complaints were received from the investors and all five complaints have been redressed and no complaints were pending for resolution as on 31st March, 2009.

Code of Conduct

The Company has adopted a Code of Conduct which was made applicable to all its Directors, whether executive or non-executive and all Senior Management Personnel of the Company. All Board members and senior management personnel have affirmed compliance with the Company's code of conduct during the year. A declaration to this effect that all Board members and senior management personnel have complied with the Company's code of conduct during the year under review and duly signed by Mr. Arvind Bajoria, Managing Director and CFO of the Company is annexed and forms part of this Report.

Risk Management

The company has laid down procedures to inform Board of Directors about the risk assessment and minimization procedures.

4. General Body Meetings:

a) The details of Annual General Meetings held in last 3 years:

Year	Meeting	Date, Time and Location	Whether special Resolution passed
2006-2008	15 th AGM	On 2 nd August, 2008 at 10.00 a.m. at Jhajharia Committee Room, 15B, Hemanta Basu Sarani, 2 nd Floor, Kolkata 700001	Special Resolution for Delisting of Equity Shares from Calcutta Stock Exchange.
2005-2006	14 th AGM	On 7 th February, 2007 at 10.00 a.m. at Jhajharia Committee Room, 15B, Hemanta Basu Sarani, 2 nd Floor, Kolkata 700001	Special Resolution for appointment of Mr. Arvind Bajoria as a Managing Director of the Company.
2004-2005	13 th AGM	On 28 th September, 2005 at 10.00 a.m. at Jhajharia Committee Room, 15B, Hemanta Basu Sarani 2 nd Floor, Kolkata 700001	No Special resolution was passed.

b) One Special Resolution was passed through postal ballot on 07.08.2008 for disposal of undertaking of the Company under section 293(1)(a) of the companies Act, 1956

The results of the Postal Ballot were declared on 12th August, 2008 and the resolution was passed by requisite majority. Mr. S. K. Ghosh, (CP No. 2018) Practicing Company Secretary conducted the postal ballot exercise.

5. Subsidiary Company

The company has one wholly owned subsidiary incorporated in Australia viz. Happy Mining Pty Ltd. This subsidiary was incorporated on 9th December, 2008. your company has subscribed 10,000,000 equity shares of its wholly owned subsidiary company viz, Happy Mining Pty Ltd.

6. Disclosures:
a) Disclosures on materially significant related party transactions:

The Company has not entered into any transactions of material nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. The transactions undertaken during the year have been disclosed in Note no. 5 of Schedule 18B forming part of the Accounts for the year ended 31st March 2009.

b) There are no instances of non-compliance by the Company on the matters relating to capital market and no penalties/strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority, during the last three years.
c) The Company duly complied with all the mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchange. However, the Company has not adopted the non-mandatory requirements defined therein.
7. Means of Communication:

The quarterly and the annual financial results are published in Financial Express in English and Arthik Lipi in vernacular language and are also displayed in the Company's website www.arvindchemicals.com

The Company has not made presentation to the institutional investors or analysts.

8. General Shareholders' Information:
a) Annual General Meeting:

Date and Time : Tuesday 29th September, 2009 at 11.00 A.M.
 Venue : Jhajharia Committee Room,
 15B, Hemanta Basu Sarani,
 2nd floor, Kolkata 700001

b) Financial Year : 1st April, 2008 to 31st March 2009.
c) Book Closure Date : Wednesday, 23rd September, 2009 to

Tuesday, 29th September, 2009

d) Dividend Payment Date : No dividend is recommended by the Board
e) Listing of Equity Shares on

(i) Bombay Stock Exchange Ltd,
 P J Towers, Dalal Street, Fort, Mumbai 400001

The Calcutta Stock Exchange Ltd has delisted the shares of the Company w.e.f. 12.01.2009.

f) Listing Fees:

Annual Listing Fees for the year 2009-10 has been paid to the above Stock Exchange.



g) Stock Code:

Stock Exchanges	Stock Code
Bombay Stock Exchange Ltd.	531881(ARVCHEM)
ISIN of equity shares	INE146F01012

h) Depositories:

- a) National Securities Depository Ltd.
Trade World, Kamala Mills Compound, Lower Parel, Mumbai - 400013
- b) Central Depository Services (India) Ltd.
P J Towers, 16th Floor, Dalal Street, Fort, Mumbai 400001

The Company has paid the Annual Custodian Fees to both the Depositories for the year 2009-2010.

i) Market Price Data:

The Market Price of the Equity Shares of the Company during year ended on 31st March 2009 is given below:

Months	BSE	
	High	Low
April 2008	49.50	37.90
May 2008	47.95	40.00
June 2008	51.55	35.25
July 2008	53.00	36.20
August 2008	53.75	37.00
September 2008	49.45	35.50
October 2008	45.50	31.00
November 2008	40.00	29.10
December 2008	45.00	31.20
January 2009	42.75	35.55
February 2009	42.95	38.05
March 2009	43.95	33.90

Above data have been taken from website of the Bombay Stock Exchange Ltd.



c) Share Price Performance:

Financial Year	% Change in Arvind Chemicals Share Price	% Change in BSE Sensex
2008-2009	21.53	-37.94

k) Registrar and Share Transfer Agents:

Niche Technologies Pvt. Ltd.

D-511, Bagree Market,

71, BRB Basu Road,

Kolkata - 700001

Phones:+91-33-22357271/7270

Fax:+91-33-22156823

E-Mail: nichetechpl@nichetechpl.com

l) Share Transfer System:

Shares sent for transfer in physical form are registered and returned by our Registrars and share transfer agents in about 15 to 20 days of receipt of the documents, provided the documents are found in order. Shares under objection are returned within two weeks. The RTA of the Company periodically receives from the Depository, the beneficial holding so as to enable them to update their records and to send all corporate communications to the beneficial owners of the shares. The share Transfer committee considers the transfer proposal as and when required depending upon the requirements.

m) Shareholding Pattern as on 31st March 2009

Category	No. of Shares	% of Holding
Promoters & Promoter Group	6527724	32.957
Public Shareholding Institutions & Non-Institutions	13278860	67.043
Shares held by Custodians and against which Depository Receipts have been issued	Nil	Nil
Total	19806584	100.00

n) Distribution of Shareholding as on 31st March 2009:

Shareholding Range	No. of Shareholders	% of Share holders	No. of Shares Held	% of Share holding
1-500	1270	84.05	31913	0.16
501- 1000	54	3.57	38175	0.19
1001 - 5000	46	3.04	111407	0.56
5001 - 10000	26	1.72	184036	0.93
10001 - 50000	83	5.50	1984329	10.02
50001 - 100000	6	0.40	454691	2.30
100001 and above	26	1.72	17002033	85.84
Total	1511	100.00	19806584	100.00

o) Management Discussion and Analysis Report forms a part of this Annual Report.
p) Dematerialization of Shares and Liquidity:

18616265 equity shares constituting 93.99% of the Shares capital has been held in dematerialized form as on 31st March 2009. The Equity Shares of Company are actively traded in the Bombay Stock Exchanges Ltd.

q) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion date and likely impact on equity: Nil
r) Address for correspondence:

Arvind Chemicals Limited
 15, Ganesh Chandra Avenue
 2nd Floor, Kolkata - 700013
 Tel : (033) 22368504, Fax: (033) 22118014
 Email: info@arvindchemicals.com
 Website: www.arvindchemicals.com

s) Address of Subsidiary
Happy Mining Pty Ltd.
 Unit 4, 53 Underwood Road
 Home Bush, NSW 2140,
 Australia

For and on behalf of the Board

Place : Kolkata
 Dated : 29th June 2009

Dinesh Chandra Bajoria
 Chairman Cum Managing Director